

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1370

Introduced by Assembly Member Roger Hernández

February 18, 2011

An act to amend Section 740.8 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1370, as amended, Roger Hernández. Public Utilities Commission: policies: ratepayers' interest.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical and gas corporations. Existing law requires the commission, in cooperation with the State Energy Resources Conservation and Development Commission, the State Air Resources Board, air quality management districts and air pollution control districts, regulated electrical and gas corporations, and the motor vehicle industry, to evaluate and implement policies to promote the development of equipment and infrastructure needed to facilitate the use of electric power and natural gas to fuel low-emission vehicles. Existing law requires those policies to ensure that the costs and expenses of those programs are not passed through to electric or gas ratepayers unless the commission finds and determines that those programs are in the ratepayers' interest, as that term is defined.

~~This bill would make technical, nonsubstantive changes to the definition of ratepayers' interest~~ *revise the definition of what is the ratepayer's interest and require that activities that benefit ratepayers be measured by the program's impact on rates and costs and benefits of the program from the perspective of ratepayers, determined by*

calculating a benefit versus cost ratio greater than one on a total portfolio basis.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 740.8 of the Public Utilities Code is
2 amended to read:
3 740.8. (a) As used in Section 740.3, “ratepayers’ interest,”
4 short or long term, means both of the following:
5 ~~(a)~~
6 (1) Direct benefits that are specific to ratepayers in the form of
7 safer, more reliable, or less costly gas or electrical service,
8 consistent with Section 451.
9 ~~(b)~~
10 (2) Activities that benefit ratepayers and that promote all of the
11 following:
12 ~~(1)~~
13 (A) Energy efficiency.
14 ~~(2)~~
15 (B) Reduction of health and environmental impacts from air
16 pollution and greenhouse gas emissions related to electricity and
17 natural gas production and use.
18 ~~(3)~~
19 (C) Increased use of alternative fuels.
20 (b) *Activities that benefit ratepayers pursuant to paragraph (2)*
21 *of subdivision (a), shall be measured by the program’s impact on*
22 *rates and costs and benefits of the program from the perspective*
23 *of ratepayers, determined by calculating a benefit versus cost ratio*
24 *greater than one on a total portfolio basis.*